

DEPARTMENT OF STATE



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Bureau of International Narcotics and Law Enforcement Affairs

Resource Summary

	Budget Authority (in Millions)		
	FY 2009 Final	FY 2010 Enacted	FY 2011 Request
Drug Resources by Function			
Interdiction	\$448.365	\$191.921	\$249.520
International	702.029	678.799	642.482
Total Drug Resources by Function	\$1,150.394	\$870.720	\$892.002
Drug Resources by Decision Unit			
Andean Counterdrug Programs	\$315.000	\$0.000	\$0.000
INCLE	547.394	845.720	892.002
INCLE Supplemental	288.000	25.000	0.000
Total Drug Resources by Decision Unit	\$1,150.394	\$870.720	\$892.002

Drug Resources Personnel Summary			
Total FTEs (direct only)	259	259	259
Drug Resources as a Percent of Budget			
Total Agency Budget (in Billions)	\$1.9	\$1.6	\$2.1
Drug Resources Percentage	61.3%	54.5%	41.8%

Funding allocations for Department of State programs are subject to change as more and better information becomes available. The Department of State routinely adjusts its program allocations.

Program Summary

Mission

The Bureau for International Narcotics and Law Enforcement Affairs (INL) is dedicated to strengthening criminal justice systems, countering the flow of illegal narcotics, and minimizing transnational crime.

Functioning democratic criminal justice systems strengthen international law enforcement and judicial effectiveness, bolster cooperation in legal affairs, and support the rule of law and respect for human rights. Strong criminal justice systems are also essential to counternarcotics efforts and minimizing

transnational crime. In addition to traditional counternarcotics activities, such as disrupting the overseas production and trafficking of illicit drugs, INL supports the development of capable police and competent judicial officials. In order for counternarcotics efforts to be sustainable, strong criminal justice systems must be developed. Similarly, minimizing transnational crime requires both specialized assistance and the overall development of criminal justice systems.

Budget

In FY 2011, the Department of State, Bureau for International Narcotics and Law Enforcement Affairs requests \$892.0 million for drug control programs, which is a increase of \$21.3 million from the FY 2010 level of \$870.7 million, which is comprised of \$845.7 million FY 2010 enacted funding and \$25.0 million in requested FY 2010 supplemental funding. All FY 2011 funding is requested under the International Narcotics Control and Law Enforcement (INCLE) account.

International Narcotics Control and Law Enforcement

FY2011 Request: \$892.0 million

(Reflects \$21.3 million increase from FY2009)

The FY 2011 request will be used for initiatives designed to minimize the impact of international crime and drugs on the United States and its international partners. To support this, INL develops, implements, and monitors U.S. Government international counternarcotics control strategies and foreign assistance programs that support the President's National Drug Control Strategy. INL programs are designed to advance international cooperation in order to reduce the foreign production and trafficking of illicit coca, opium poppy, marijuana and other illegal drugs. INL commodity, technical assistance, and capacity building programs improve foreign government institutional capabilities to implement their own comprehensive national drug control plans that will reduce trafficking in illicit drugs and money laundering activities. Training and assistance also supports prevention and treatment programs and projects designed to increase public awareness of the drug threat to strengthen the international coalition against drug trafficking. An

interregional aviation program supports drug-crop eradication, surveillance and counterdrug enforcement operations.

Projects funded by INL are also directed at improving foreign law enforcement and intelligence gathering capabilities and enhancing the effectiveness of criminal justice sectors to allow foreign governments to increase drug shipment interdictions, effectively investigate, prosecute and convict major narcotics criminals, and break up major drug trafficking organizations. INL also provides technical assistance to U.S. federal law enforcement authorities working overseas in order to enhance their programs. INL is responsible for foreign policy formulation and coordination and for advancing diplomatic initiatives in counternarcotics in the international arena. Specific INCLE programs are described below:

Mexico

FY 2011 Request: \$177.0 million

(Reflects \$1.8 million decrease from FY 2010)

The FY 2011 drug control request will support continued counternarcotics, law enforcement, and demand reduction programs to advance the shorter-term goal of dismantling drug trafficking and other criminal organizations, and the longer-term goal of strengthening Mexico's law enforcement institutions and expanding their capacity to attack and deter crime affecting the United States. Funds will continue to enhance Mexico's forensics, surveillance, and data collection and analysis capabilities; continue to help develop a secure communications network for national security agencies; provide technical assistance and non-intrusive inspection equipment for land and maritime interdiction; and support the creation of a

national network for demand reduction programs.

FY 2011 Total Changes (-\$1.8 million):

In FY 2011, the focus of counternarcotics programs shifts from procuring high-cost equipment to providing technical assistance on implementing and institutionalizing the changes brought about through the Mérida Initiative.

Colombia

FY 2011 Request: \$178.6 million

(Reflects \$26.6 million decrease from FY 2010)

The FY 2011 drug control request will continue support for the Government of Colombia's (GOC) implementation of its National Consolidation Plan, which consolidates progress achieved under Plan Colombia while synchronizing security, counternarcotics, and development through a coordinated government approach. Counternarcotics support will also continue to build the GOC's capacity to take over additional counternarcotics responsibilities. Assistance will support aviation programs that focus on interdiction, eradication, humanitarian and high-value target operations, allowing the Colombian military and police the ability to operate in remote regions. Funding will also go towards enhancing the GOC's ability to interdict drugs, particularly along the Pacific coast.

The multi-year Critical Flight Safety Program (CFSP) will continue to ensure aircrew and aircraft safety while maximizing the cost effectiveness of INL's aging Air Wing fleet. By upgrading these aircraft the Department will avoid future costly maintenance and ensure safe aircraft.

FY 2011 Total Changes (-\$26.6 million):

The decrease continues a glide path in transferring financial and management responsibility for several counternarcotics and security activities to the Government of Colombia. Decreases will be taken from INCLE-funded eradication and interdiction, counternarcotics, and stabilization operations.

Bolivia

FY 2011 Request: \$26.0 million

(Reflects \$6.0 million increase from FY2010)

The FY 2011 drug control request will support Bolivian efforts to eliminate excess coca cultivation in and around the Chapare and Yungas regions and to eradicate illegal coca in national parks. Funds will also support efforts to interdict cocaine, cocaine derivatives, other drugs, and precursor chemicals. Support is intended to enable the Government of Bolivia (GOB) to improve efficiencies in the prosecution of narcotics-related cases, address official corruption, and increase transparency and accessibility in the criminal justice system. Funds will also support drug prevention efforts. A portion of the funds will enhance the capacity of the National Police through training programs.

FY 2011 Total Changes (+\$6.0 million):

INL will continue to work with the Government of Bolivia to improve efficiencies in the prosecution of narcotics-related cases, address official corruption, and increase transparency and accessibility in the criminal justice system.

Peru

FY 2011 Request: \$39.5 million

(Reflects \$0.2 million decrease from FY 2010)

The FY 2011 drug control request will address narcotics trafficking threats and will assist the Government of Peru (GOP) with security and state presence east of the Andes by supporting secure basing and training for counternarcotics police. Funding will enable GOP capacity to carry out counternarcotics eradication and interdiction operations on multiple fronts, particularly in entrenched coca growing areas and areas of coca expansion.

FY 2011 Total Changes (-\$0.2 million):

INL will continue FY 2010 counternarcotics eradication and interdiction operations.

Ecuador

FY 2011 Request: \$7.5 million

(Reflects \$3.5 million increase from FY 2010)

The FY 2011 drug control request will support enhanced presence of Ecuadorian security forces at land and sea ports and on the northern and southern borders to deter narcotics trafficking through Ecuador from Colombia and Peru. Interdiction will be improved with support for stationing counternarcotics police along frequently used or emergent trafficking routes. Funding provides assistance for canine and law enforcement skills training, operational support for recently established money laundering and chemical control units, along with strengthening of administration of justice programs.

FY 2011 Total Changes (+\$3.5 million):

The increase will continue police operations and incorporate the need for modernization, such as acquisition of sophisticated scanning equipment.

Military operations are anticipated at an increased pace near the porous border region with Colombia, which will require assistance through FY 2011.

Western Hemisphere Regional Security Initiative

FY 2011 Request: \$37.5 million

(Reflects \$31.3 million increase from FY 2010)

The FY 2011 drug control request for Central America supports programs in Belize, Nicaragua, Guatemala, Panama, El Salvador, Costa Rica, and Honduras. Funds will provide equipment, training and operational support for counternarcotics vetted units including those under the Drug Enforcement Administration (DEA) and U.S. Immigration and Customs Enforcement (ICE) as well as national police units historically supported by INL.

FY 2011 Total Changes (+\$31.3 million):

The additional drug control funds will support eradication efforts and aviation support in Guatemala, continue and strengthen the DEA and ICE vetted units, expand demand reduction efforts, and enhance support for national police and regional interdiction.

Caribbean Basin Security Initiative

FY 2011 Request: \$31.2 million

(Reflects \$31.2 million increase from FY 2010)

The FY 2011 drug control request will be used to stem the flow of illegal drugs into the region by strengthening the region's capacity to detect and interdict drug shipments, bring traffickers and other criminals to trial, and attack money laundering and associated corruption.

FY 2011 Total Changes (+\$31.2 million):

In FY 2011, drug control funding will support both bilateral and regional

counternarcotics initiatives, including support for Sovereign Skies, interdiction, eradication, law enforcement reform and development, and demand reduction.

Brazil

FY 2011 Request: \$1.0 million

(Reflects no change from FY 2010)

The FY 2011 drug control request will be used to support narcotics interdiction programs and to enhance the Government of Brazil's law enforcement efforts.

FY 2011 Total Changes (no change): INL will sustain ongoing programs.

Haiti

FY 2011 Request: \$3.8 million

(Reflects \$0.5 million increase from FY 2010)

The FY 2011 drug control request will provide support for development of Haiti's drug law enforcement infrastructure and expertise, specifically the Haitian National Police (HNP) anti-drugs unit (BLTS, French acronym). Assistance will continue support for the Haitian Coast Guard to strengthen its maritime interdiction capabilities and enhance information sharing and collaboration with the HNP. Funds will also support efforts to restructure the Haitian Financial Investigative Unit to improve its capacity to successfully investigate money laundering and official corruption.

FY 2011 Total Changes (+\$0.5 million): Funds in FY 2011 will sustain FY 2010 projects.

West Africa

FY 2011 Request: \$13.2 million

(Reflects \$10.0 million increase from FY 2010)

The FY 2011 drug control request will be used for counternarcotics projects in West

Africa, including Nigeria, Benin, Cape Verde, Ghana, Guinea, Guinea-Bissau, Sierra Leone, Senegal, Togo, and The Gambia. Programs will develop strong law enforcement investigative abilities and justice sectors capable of prosecuting and convicting narcotraffickers.

FY 2011 Total Changes (+\$10.0 million):

The majority of the cocaine transiting West Africa flows to Europe, not the United States. The primary concern is the destabilizing effect this trafficking will have on the region and the potential it represents for corroding good governance. The increase will expand support to other West African countries including Benin, Guinea, Sierra Leone, Senegal, Togo, and The Gambia.

East Asia and the Pacific

FY 2011 Request: \$1.7 million

(Reflects \$0.1 million decrease from FY 2010)

The FY 2011 drug control request will support programs in Laos and Vietnam. In Laos, funds will support counternarcotics law enforcement assistance; alternative livelihood assistance for villages in opium regions of northern Laos, which formerly grew opium and have not yet received prior or sufficient assistance; and drug demand reduction programs. In Vietnam, funds will support drug interdiction programs.

FY 2011 Total Changes (-\$0.1 million):

Funds will sustain drug control program activities in Laos. Vietnam is a new counternarcotics program.

Turkey

FY 2011 Request: \$0.5 million

(Reflects \$0.5 million increase from FY 2010)

The FY 2011 drug control request of \$0.5 million will support antidrug/anti-organized

crime training and technical assistance as well as implementation of drug abuse prevention and education and treatment projects.

FY 2011 Total Changes (+\$0.5 million):

The request will enable support to Turkey.

Iraq

FY 2011 Request: \$2.5 million

(Reflects \$1.5 million increase from FY 2010)

The FY 2011 drug control request will leverage FY 2010 funding that is providing training and technical assistance to establish a Center of Excellence on Substance Abuse Treatment. In FY 2011, the Center of Excellence will focus on coordinating the efforts of physicians and public health practitioners by developing a comprehensive nationwide demand reduction strategy.

FY 2011 Total Changes (+\$1.5 million):

The increase of \$1.5 million over FY 2010 levels will support more expansive technical assistance as the Government of Iraq forms its nationwide demand reduction strategy in support of the newly established Center.

Morocco

FY 2011 Request: \$0.8 million

(Reflects \$0.8 million increase from FY 2010)

The FY 2011 drug control request will support training directed at Moroccan customs and border law enforcement agencies and necessary equipment, such as: inspection tool kits, computers, surveillance equipment, and cargo inspection systems.

FY 2011 Total Changes (+\$0.8 million):

Funds will be utilized for training programs and equipment.

Afghanistan

FY 2011 Request: \$250.6 million

(Reflects \$32.0 million decrease from FY 2010)

Afghanistan continues to face an environment of continued insecurity; increased insurgent violence; a weak - and in places - corrupt government; and ongoing challenges to democratic stability. Key continuing priorities will be increasing capacity in Afghan government institutions and strengthening the delivery of services at the sub-national level.

In the counternarcotics arena, FY 2011 funds will enhance programs to disrupt drug trafficking and associated criminal activity throughout the country; continue an incentive-based supply reduction program; and change public attitudes towards drug use and cultivation through comprehensive expansion of support to drug prevention and treatment activity. While poppy reduction efforts in Afghanistan have been and will continue to be led by the Afghan government, funding will support Afghan Governor-led efforts in limited areas where on a specific case-by-case basis support may be required. Specifically, funds for counternarcotics in FY 2011 will support programs in the areas of supply reduction, interdiction, public information, and drug demand reduction.

FY 2011 Total Changes (-\$32.0 million):

Funds in FY 2011 will emphasize the Good Performers Initiative and Counternarcotics Advisory Teams (CNAT) programs continuing these initiatives for the reduction of poppy cultivation, and increasing the focus on province-based dissuasion against planting. INL will provide support for the Counter Narcotics Police of Afghanistan (CNPA) for the expansion of

counternarcotics law enforcement into the provinces, as well as for the operation and maintenance of existing and new facilities to support the Afghan Ministry of Interior's interdiction forces. Funds will also strengthen demand reduction efforts through a nationwide treatment delivery system in which the number of residential, outpatient, and mobile treatment centers will be increased to provide counseling and rehabilitation services to Afghans with drug addictions.

Pakistan

FY 2011 Request: \$11.2 million

(Reflects \$4.0 million increase from FY 2010)

The FY 2011 drug control request will continue to support INL's counternarcotics program in Pakistan. The counternarcotics program is designed to inhibit poppy cultivation; prevent a spillover effect from the poppy growing and opium processing areas in neighboring Afghanistan; reverse poppy expansion into non-traditional growing areas; return Pakistan to its zero-poppy status; prevent criminal syndicates from taking hold of local economies; and control drug abuse often seen in drug transit countries. INL will continue training and equipping law enforcement agencies focused on counternarcotics and border area drug demand reduction programs—specifically focusing on both treatment and rehabilitation of existing addicts and drug awareness prevention. These funds will continue provision of training, operational support and small-scale commodities to a range of law enforcement agencies that share counternarcotics responsibilities, and support aggressive opium poppy monitoring efforts as security allows.

FY 2011 Total Changes (+\$4.0 million):

The increase of \$4 million will support additional demand reduction efforts and increased support to law enforcement agencies.

Interregional Aviation Support

FY 2011 Request: \$60.0 million

(Reflects \$0.3 million increase from FY 2010)

The FY 2011 drug control request will provide core-level services necessary to operate, sustain, and maintain a fleet of over 140 fixed and rotary-wing aircraft of eight types. This support includes central system management, contract administration, and oversight of technical functional areas, such as: operations, training, flight standardization, safety, maintenance, and logistics. Additionally, this funding provides for a centralized system for acquiring, storing and shipping parts and commodities in support of all of the overseas locations. The aircraft support counternarcotics aviation programs in Colombia, Bolivia, Guatemala, Peru, Afghanistan, and drug control programs in other temporary deployment locations as required.

FY 2011 Total Changes (+\$0.3 million):

The increase of \$0.3 million will allow for continuation of existing services.

Critical Flight Safety Program

FY 2011 Request: \$11.8 million

(Reflects \$3.6 million decrease from FY 2010)

FY 2010 was the first year that the Critical Flight Safety Program (CFSP) funds were requested under the Centrally-managed account. CFSP is centrally-managed funding for drug control programs that address requirements pertaining to Bolivia, Peru, and Afghanistan. The FY 2011 request will continue to modernize the INL air fleet that

put in place a fleet management process for INL air assets (life cycle analysis, safety upgrades, and programmed depot-level maintenance) like that which is used by DoD and commercial airlines. It allows INL to ensure the safety of and to extend the life of its aviation assets in order to continue to provide requisite aviation support for counternarcotics programs. Funds will address depot-level engine requirements, attrition replacements, wiring/avionics upgrades, and programmed depot level maintenance for Huey-II helicopters as well as Aircraft/Aircrew Safety items. CFSP activities for Colombia will continue to be requested under the Colombia bilateral program budget line.

FY 2011 Total Changes (-\$3.6 million):

Funds will support CFSP projects associated with the FY 2011 workload. Work not accomplished in FY 2011 will be carried over in this multi-year program.

Drug Awareness and Demand Reduction

FY 2011 Request: \$12.5 million

(Reflects \$1.5 million decrease from FY 2010)

The FY 2011 drug control request supports the U.S. foreign policy priority of reducing drug use, crime and related violence that threatens our national security and hinders the economic development, political stability, and security in emerging democracies and developing countries. INL demand reduction programs are designed to assist the international community in reducing drug consumption in an effort to deprive illegal drug traffickers of their largest source of revenue – the addicted, frequent, high-volume drug user thereby reducing the income that criminal and terrorist organizations derive from narcotics

trafficking and reducing threats to the health and welfare of fragile states.

FY 2011 Total Changes (-\$1.5 million):

Funds will continue drug demand reduction project activities from FY 2010.

International Organizations

FY 2011 Request: \$3.9 million

(Reflects no change from FY 2010)

The FY 2011 drug control request will support the United Nations Office on Drugs and Crime (UNODC) and the Organization of American States/Inter-American Drug Abuse Control Commission (OAS/CICAD). These programs strengthen foreign government judicial and law enforcement capacity so they can attack drug trafficking and transnational crime groups directly by disrupting their organizations, arresting their leaders, and seizing their assets. Programs also enhance international cooperation among states and help close off safe havens to traffickers and other criminal groups.

FY 2011 Total Changes (no change):

Funds will sustain FY 2010 UNODC and OAS/CICAD projects.

Program Development and Support

FY 2011 Request: \$20.0 million

(Reflects \$2.7 million increase from FY 2010)

The FY 2011 drug control request will be used for domestic salaries, administrative costs, and other Washington-based support services costs.

FY 2011 Total Changes (+\$2.7 million):

The increase of \$2.7 million will be used for additional personnel, cover adjustments for inflation, and support other administrative support cost

increases.

Performance

Introduction

This section on the FY 2009 performance of the State INL programs is based on data reported in their 2008 Performance Plan and Reports (PPR), as available through FACTS-Info which represents information provided by country missions.

It is important to note that in FACTS-Info, data may not be consistently reported and also, composite data combines drug seizures, both of which lead to a somewhat inaccurate picture. For example, seizing

one metric ton of cocaine should be perceived as a greater achievement than one metric ton of marijuana, but is not included in FACTS-Info. The 2009 INCSR reports, to be released in March 2010, while based on host-nation reports, will provide a more accurate picture of actual seizures, eradication, and coca cultivation in the Western Hemisphere and around the world.

The tables include performance measures, targets and achievements for the latest year for which data are available. This report includes selected program measures from the Western Hemisphere, Asia (Laos), and Afghanistan.

Bureau for International Narcotics and Law Enforcement Affairs		
Selected Measures of Performance	FY 2009 Target	FY 2009 Achieved ¹
Andean Counterdrug Initiative		
» Number of Hectares (Ha) of coca eradicated in Bolivia, Colombia and Peru in Calendar Year 2009	214,000	188,951
INCLE		
» Number of Hectares (Ha) of illicit opium poppy cultivated in Laos for Calendar Year 2009	<1000	1,800
» Kilos of illicit narcotics seized by host governments in USG-assisted areas in the Western Hemisphere ²	409,000	1,518,195
Assistance to Rebuilding Countries		
» Reduce cultivation of opium poppy in Afghanistan with the long-term goal of achieving a poppy-free North between 2005 and 2010 (21 out of 34 provinces)	7 poppy-free provinces (PFP) and 7 provinces reducing cultivation (PRC)	18 PFP and 12 PRC

¹ The "FY 2009 Achieved" data is as of December 9, 2009 from host-nation reports since partner countries report eradication on a calendar year basis. The FY 09 actuals reflect considerable under-reporting.

² The "FY 2009 Target" and "FY 2009 Achieved" figures are from FACTS-Info and combine all drugs seized.

Discussion

The long-term goal of the Andean Counterdrug Program (ACP) and International Narcotics and Law Enforcement (INCLE) appropriation is to reduce the flow of drugs to the United States, addressing instability in the Andean region and strengthening the ability of both source and transit countries to investigate and prosecute major drug trafficking organizations and their leaders and to block and seize their assets. Among other efforts, INL accomplishes this through aerial eradication, forced and voluntary manual eradication, increasing capabilities for drug interdiction, reducing demand and strengthening rule of law and alternative livelihood efforts.

Eradication is a critical component of the U.S. government's counternarcotics strategy in the Andean region but is not the only metric used in determining success. Eradication data are aggregated by calendar year rather than by fiscal year. Thus, eradication results available are as of December 9, 2009. The 2009 target was for eradication of 214,000 hectares in Bolivia, Colombia, and Peru. In 2009, the Department supported efforts that eradicated over 188,951 hectares (as of December 1) through aerial and manual eradication techniques.

Colombia is assuming greater responsibility for several U.S.-funded programs, enabling the USG to target critical areas through a more coordinated approach with security and alternative development programs. As of December 2009, Colombia eradicated 153,000 hectares of illicit crops – over 100,000 hectares through aerial eradication and over 53,000 hectares by manual

eradication efforts. The number of hectares eradicated declined in 2009 because of Colombian budget constraints affecting manual eradication. The Colombian Government's capability to conduct interdiction, however, continues to increase; unofficial estimates for calendar year 2009 show that the 2008 figure will be surpassed by several tons. Peru exceeded its coca eradication goal of 8,000 hectares for the second year in a row, eradicating over 10,000 hectares in 2009. As of October 2009, Peru seized approximately 17 metric tons of cocaine and destroyed 2,333 cocaine labs.

Also in 2009, Bolivia eradicated over 6,200 hectares of coca nationwide, about 95 percent of which took place in the Cochabamba tropics (Chapare) and Yacapani region. As of October 2009, Bolivia seized 23 metric tons of cocaine. Without a DEA presence in-country, Bolivia interdicted 3 fewer metric tons than the year before, largely due to a lack of enhanced international intelligence and operational support for interdiction forces.

Other efforts in the Western Hemisphere include the Mérida Initiative in Mexico and Central America and the Caribbean Basin Security Initiative, which is under development, as well as other programs in the Southern Cone. USG programs target the criminal organizations that profit from narcotics trafficking. These organizations pose a security threat to the region and the United States with their network of transnational crimes.

Throughout 2009, the Calderon Administration in Mexico continued the unprecedented efforts begun in December 2006 to curb the flow of drugs

and curtail the power of drug cartels. In FY 2009, Mérida Mexico programs ramped up assistance to this effort. Despite violent reprisals, Mexican law enforcement arrested over 27,000 persons on drug-related offenses, and extradited over 100 persons from Mexico to the U.S.

As of November 2009, Mexican law enforcement seized 20 metric tons (MT) of cocaine, 788 MT of marijuana, 446 kilograms (kg) of opium gum, 261 kg of heroin, and 3,350 kg of methamphetamine. At the same time U.S. and Mexican law enforcement agencies caution that continued improvements in enforcement will force traffickers to seek alternate routes or alternative enterprises. Central American countries, especially Panama, Guatemala and Honduras, have already seen the violent results of increased criminal activity.

The long-term goal of the International Narcotics Control and Law Enforcement (INCLE) program in Southeast Asia is to remove all countries receiving U.S. assistance from the List of Major Drug Producing and Drug Transit Nations. Thailand was removed in 2004, with the goal of removing Laos prior to 2010. When opium poppy cultivation in Laos is estimated by the U.S. government as less than 1,000 hectares, the country will be removed from the President's list of major illicit drug producing countries. Laos made progress in reducing the number of hectares of opium poppy cultivation in 2007 (USG estimate: 1100 hectares, down from 1700 in 2006) but flat lined in 2008 and increased slightly in 2009. The situation remains precarious and the Department

continues to focus on alternative development programs, law enforcement development, and demand reduction programs to support Lao efforts to reduce opium cultivation.

The purpose of the INCLE counternarcotics program in Afghanistan is to reduce opium poppy cultivation in order to create stability in Afghanistan and prevent it from becoming a narco-state controlled by insurgents. The goal of the program is to have 21 of Afghanistan's 34 provinces designated as poppy-free provinces (PFP) or provinces reducing cultivation (PRC) by 2010. The target for CY 2009 was to have 7 poppy free provinces and 7 provinces reducing cultivation. In CY 2009, Afghanistan exceeded its targets, achieving 18 poppy free provinces and 7 provinces reducing cultivation to less than 1000 hectares.

DEPARTMENT OF STATE

United States Agency for International Development

Resource Summary

	Budget Authority (in Millions)		
	FY 2009 Final	FY 2010 Enacted	FY 2011 Request
Drug Resources by Function			
International	\$418.600	\$365.132	\$365.132
Total Drug Resources by Function	\$418.600	\$365.132	\$365.132
Drug Resources by Decision Unit			
Developmental Assistance Account	\$ 48.840	\$ 45.271	\$ 45.271
Economic Support Fund	276.760	319.861	319.861
Economic Support Fund Supplementals	93.000	-	-
Total Drug Resources by Decision Unit	\$418.600	\$365.132	\$365.132
Drug Resources Personnel Summary			
Total FTEs (direct only)	27	27	27

Funding allocations for Department of State programs are subject to change as more and better information becomes available. The Department of State routinely adjusts its program allocations.

Program Summary

Mission

The United States Agency for International Development (USAID) is the U.S. government organization responsible for most economic and development foreign aid. It receives overall foreign policy guidance from the US Secretary of the Department of State. USAID advances US foreign policy objectives by supporting economic growth, agriculture and trade, health, democracy, conflict prevention, and humanitarian assistance. USAID's Alternative Development programs support U.S. counternarcotics objectives by helping countries develop economic alternatives to narcotics production. Specifically, to stop the illegal drug trade, USAID offers incentives to farmers to discontinue planting poppy and other illicit crops, and

USAID provides training; demonstration centers and farm related business training to help farmers in drug-producing countries increase their income from legitimate crops. USAID also supports programs that create off-farm employment, improve productive and social infrastructure in drug production areas, strengthen institutions, promote human rights, strengthen small and medium enterprises, improve access to credit, and expand state presence.

Budget

In FY 2011, the Department of State requests \$365.1 million in the Economic Support Fund and Development Assistance accounts for Alternative Development (AD) programs in the Andean region and in Afghanistan.

Economic Support Funds and Development Assistance Funds - Andean Region

FY 2011 Request: \$180.1 million
(Reflects no change from FY 2010)

As the source of more than 90 percent of cocaine and about half of the heroin entering the U.S., Colombia and the Andean Region remain the focus of State's efforts to disrupt the market for illegal drugs. USAID administers the Economic Support Fund in Colombia and the Development Assistance (DA) Fund in Bolivia, Ecuador and Peru as sources of funding for alternative development projects and aid in the Andean Region. These resources support projects to advance the development of legitimate crops, legal enterprises and licit employment opportunities in lieu of illicit activities. Alternative Development (AD) funds also strengthen state institutions, support construction of productive and social infrastructure, expand state presence and strengthen community resolve to resist drug trafficking activities.

FY 2011 Total Changes (no change):

The Budget will continue to support AD programs that are in alignment with the U.S. counternarcotics strategy in the region.

Economic Support Funds - Afghanistan

FY 2011 Request: \$185.0 million
(Reflects no change from FY 2010)

Agriculture is a way of life for seventy percent of Afghanistan's people. However, instability, coupled with the region's four-year drought has devastated the country's farms. In fact, eighty percent of the rural population lives in poverty. With its economic support, USAID is renovating irrigation systems, providing farmers with fertilizer and seeds, and is building roads to

market centers. Over the past few years, licit agricultural production has nearly doubled, increasing farmers' incomes and encouraging them to produce legitimate crops. However, opium cultivation still occurs. To stop the illegal drug farming and trade, USAID provides alternative economic opportunities to farmers to incentives them to discontinue planting narcotic crops. USAID provides training, demonstration centers and farm related business training to farmers to help them increase their income from legitimate crops.

FY 2011 Total Changes (no change): USAID plans to continue support to a greater number of potential poppy producing provinces, continuing to support activities, such as: cash-for-work projects, availability of agricultural credit, and training and marketing assistance to help farmers increase their income from legitimate crops.

Performance

Introduction

This section on the FY 2009 performance of the USAID program is based on agency GPRA documents and the OMB review. The table includes performance measures, targets and achievements for the latest year for which data are available.

USAID		
Selected Measures of Performance	FY 2009 Target	FY 2009 Achieved
» Number of community, producer groups, or associations that signed agreements to become and/or remain "coca-free"	1,554	2,495
» Number of USAID-assisted families that have signed or are included under "coca-free" agreements (cumulative)	242,000	248,764
» Hectares of opium poppies eradicated manually or voluntarily by Alternative Development partners in USAID target areas	n/a	n/a
» Hectares of licit agricultural crops developed or expanded in areas receiving USAID assistance (cumulative)	108,585	58,010
» Number of new direct jobs created (agric. & non-agric.) in USAID-assisted areas (annual)	21,179	46,875
» Increase in sales of licit farm and non-farm products in USAID-target areas of Afghanistan over previous year	23,000,000	169,183,934
» Number of rural households benefiting directly from USAID interventions in Afghanistan	130,000	888,094

Note: The targets for these measures are preliminary - the methodology for developing them is being refined for use in identifying future year targets.

Discussion

USAID/Afghanistan's AD Programs provided assistance to 13 provinces in FY 2009. The AD Program-South provided assistance in Helmand and Kandahar Provinces; the AD Program-North provided assistance in Badakhshan and Takhar provinces; the AD Program-East provided assistance in Kunar, Laghman, Nangarhar, and Nuristan provinces; and the AD Program – Northwest provided assistance in Farah Province. Substantial results have been achieved in FY 2009. An additional 58,010 hectares of alternative crops have been put under cultivation in FY 2009. More than 161,159 individuals have received agricultural, farm management, and business training benefiting over 888,094 families, including over 2,500 women and 47 women's organizations. This assistance has resulted in almost \$169 million of increased sales of licit, higher-quality, farm products, much of which are exported to regional markets.

Assistance is helping these farmers to meet improved quantity, quality, and on-time delivery standards.

In the East, the number of families benefiting from alternative livelihoods rose by 12% (from 423,896 to 473,625), and sales of licit products increased by 47% (from \$43.6 million to \$65.3 million), while ADP programs in the North rehabilitated 95 km of roads and 31 km of irrigation canals, 2,558 families benefited from 63,338 days of labor, and an additional 7% above the target of 3,800 women received short term training in agricultural productivity. Cash-for-work constructed 134 km of roads, providing 88,760 labor days of work, 35,638 farmers were trained in nursery and orchard management, 954 orchard families benefited from 28,000 paid labor days, sales increased \$187,200 over the previous year, 31 veterinary clinics were built and staffed with a para-vet, and four feedlots

were built that successfully fattened 720 ruminants on enriched silage.

The Alternative Development (AD) program in Colombia has helped rural families produce nearly 280,000 hectares of agricultural crops and has improved sustainable management practices on almost 260,000 hectares of forest land since 2001. This means that nearly 540,000 hectares of land are being used today for licit activities and are no longer available for production of drug crops.

The AD program in Peru has developed or expanded more than 120,000 hectares of licit crops (particularly cacao, palm oil, and coffee) since 2002, thus generating licit and sustainable livelihoods for over 78,000 families. AD-assisted crops generated over \$10 million in sales at farm gate prices in FY 2009.

Bolivia's AD program helped exports of key crops grow by over 250% since 2001. Since 2005, the program has benefited over 42,000 families, and contributed to a significant reduction in poverty in the Yungas region (from 64% in 2004 to 52% in 2009).

The AD program in Ecuador has supported more than 37,000 hectares of legal agricultural crops since 2000 and provided assistance to more than 68 small, medium or large enterprises that created more than 2,700 licit jobs.